4. In ISPs with gateways, radio-paging and end-to-end bandwidth, FDI is permitted up to 74%.

The FDI policy, including sectoral caps are reviewed periodically by a Group of Ministers (GoM) on FDI, to decide necessary changes. The Steering Committee on FDI, which was set up by the Planning Commission has, *inter alia,* recommended enhancement of the FDI cap in respect of basic and cellular telephony to 74% (from 49%) and in total bandwidth and gateway to 100% (from 74%). This, alongwith other recommendations, is under consideration of the Group of Ministers on FDI.

SHRI RAMA MUNI REDDY SIRIGIREDDY: Mr. Chairman, Sir, my question is: what are the reasons for not putting up any equity cap on the manufacturing activities? Is it also true that the Government is not allowing China and some other countries, in sectors like telecom, etc., citing them as strategic sectors? If yes, please give the details.

SHRI ARUN SHOURIE: Sir, actually, this question should be addressed to Shri Pramod Mahajan, the Minister of Communications and Information Technology. But I had read reports about disagreements by a company in Bangalore. Otherwise, as far as China-based companies are concerned, the cellular thing that we use in Delhi as Hutch, as its server, is a Chinese company, as far as I know.

SEZs in Coastal Areas

†197. SHRI GAYA SINGH:
SHRI J. CHITHARANMN:t

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government have taken steps to promote Special Economic Zones (SEZs) in coastal areas to attract large scale Foreign Direct Investment (FDI) during the last three years; and

(b) if so, the details of the steps taken in this direction and the outcome thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE): (a) and.(b): A Statement is laid on the Table of the House.

(a) and (b) Among the measures taken to attract Foreign Direct Investment (FDI) in Special Econom ic Zones (SEZs) in the country, including those in the coastal areas are:

†The question was actually asked on the floor of the House by Shri J. Chitharanjan.

(i) Duty free import/domestic procurement of goods for development, operation and maintenance of SEZs and SEZ units;

(ii) 100% FDI in manufacturing sector through automatic route barring a few sectors;

(iii) External commercial borrowing by SEZ units upto US S 500 million in a year without any maturity restriction through recognized banking channels;

(iv) Facility to set up of Overseas Banking units in SEZs;

(v) Foreign Direct Investment (FDI) upto 100% to develop townships within the SEZs with residential, educational and recreational facilities;

(vi) Exemption from industrial licensing requirement for items reserved for Small Scale Industries sector;

(vii) 100% FDI to SEZ franchisee in providing basic telephone service in SEZs;

(viii) income-tax exemption for 10 years in the first 15 years to the developers of SEZs;

(ix) Income Tax holiday for 5 years and 50% tax exemption for 2 years thereafter to SEZ units;

(x) Exemption from Central Sales Tax on sales made from Domestic Tariff Area to SEZ units;

(xi) Exemption from Service Tax to SEZ units and developers; and

(xii) Flexibility to keep 100% export proceeds in the Export Earners Foreign Currency Account.

Units in four functioning SEZs have attracted FDI, including Non-Resident Indian investment, of about US $ 22 million, the exports from these zones in 2001-02 were Rs. 6271 crores. The 17 new SEZs approved for establishment so far (9 in coastal areas) are in initial stages of implementation. Promoters of SEZ at Nangunery have obtained approval for FDI of US $ 89.8 million for the development of the zone. Further, promoters of Navi Mumbai and Visakhapatnam' SEZs are on the look out for foreign/domestic strategic partners.

SHRI J. CHITHARANJAN: Mr. Chairman, Sir, while taking steps to promote Special Economic Zones, the Government is also insisting...

MR. CHAIRMAN: What is your question? Please come straight to your question. There is no need of giving any background.

SHRI J, CHITHARANJAN: Sir, I am putting my question.

MR. CHAIRMAN:-What is the question?

SHRI J. CHITHARANJAN: The question is: has the Government given an undertaking to the companies which have set up their industrial units in Export Promotion Zones? Has the Government also taken a decision that the labour laws in the country will not be made applicable in that area?

SHRI ARUN SHOURIE: Sir, no such decision has been taken, and, as far as I know, it is the Stale Governments which are competing with each other, which are trying to attract investments in these Special Economic Zones also. They have announced that, 'yes' they would be looking at labour laws afresh. In this very House, on an earlier occasion, I had read out the proposals of the Maharashtra Government—of Mr. Vilasrao Deshmukh— on what they would do about changing labour laws in these Zones, as well as, in general.

SHRI J. CHITHARANJAN: What is the policy of the Government in that regard?

श्री सभापति: क्वेश्चन आवर पॉलसी के बारे में जानकारी देता है।

दवाओं में मिलावट के मामले

*198. **श्री जनेश्वर मिश्र**: क्या स्वास्थ्य और परिवार कल्याण मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि दवाओं में मिलावट के कई मामले प्रकाश में आए हैं:

(ख) यदि हां, तो किन-किन दवाओं में मिलावट की सबसे ज्यादा संभावनाएं हैं: और

(ग) इन मामलों में अब तक जिन लोगों को सजा दी गई है उनका ब्यौरा क्या है?

स्वास्थ्य और परिवार कल्याण मंत्री (श्री शत्रुध्न सिन्हा):

(क) से (ग) एक विवरण सदन के पटल पर रख दिया गया है।

विवरण

(क) जी, हां। औषधों की मिलावट के दृष्टांत सरकार के ध्यान में आए हैं।

(ख) गोलियां और कैपसूल ऐसी औषधें हैं जिनमें आमतौर पर बेईमान व्यक्तियों द्वारा मिलावट की जाती है।